GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1911
ANSWERED ON:26.07.2002
NEW GUIDELINES FOR REGISTRATION OF COMPANIES
ADHIR RANJAN CHOWDHURY;NAWAL KISHORE RAI;SHYAMA SINGH;SUSHIL KUMAR INDORA

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to issue new guidelines or amend law relating to existing rules for registration of companies;

(b) if so, the details thereof; and

(c) the extent to which the new guidelines/ law for registration of companies is going to protect the interest of investors?

Answer

MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a): No such proposal is under consideration at present.

(b): Does not arise.

(c): Some companies which came up with public issues since 1991-92 have disappeared from market resulting in loss to investors. Arising out of complaints against these companies, inspections were carried out. Steps have been taken to prosecute the companies and/or their directors. The prosecutions were for inducing the public to invest with false promises and for making mis-statements in offer documents. These cases are non-compoundable and involve fine and imprisonment.